



# Q1•2013

## QUARTERLY REPORT

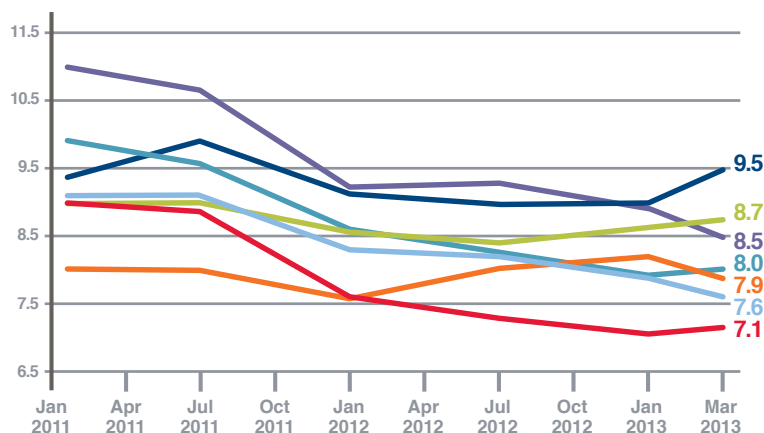


During Q1 2013, JobsOhio and its statewide partners successfully worked with 65 companies that committed to create or retain 17,375 jobs for Ohioans.

## Ohio's unemployment rate lower than regional states

Ohio's unemployment rate of 7.1 percent is lower than the rate of all neighboring states and the U.S. Since January 2011, more than 140,000 new private-sector jobs have been created by Ohio businesses.

### UNEMPLOYMENT RATE (%)



	Unemployment Rate		Decrease since Jan 2011
	Mar 2013	Jan 2011	
Illinois	9.5%	9.4%	(0.1)%
Indiana	8.7%	9.0%	0.3%
Michigan	8.5%	11.0%	2.5%
Kentucky	8.0%	9.9%	1.9%
Pennsylvania	7.9%	8.0%	0.1%
U.S.	7.6%	9.1%	1.5%
Ohio	7.1%	9.0%	1.9%

## Liquor transfer

On February 1, 2013, JobsOhio finalized its bond offering and paid the State of Ohio more than \$1.43 billion to complete the transfer to JobsOhio. The 25-year franchise established a dedicated and sustainable funding source that will support JobsOhio's mission to lead economic development and job growth for Ohio.

### BOND OFFERING – USE OF FUNDS

Consideration Paid to State of Ohio	\$1.43 billion
Working Capital & Transaction Costs	\$140 million
<b>Total Amount of Bond Issuance</b>	<b>\$1.57 billion</b>

Spiritous Liquor	Quarter ended March 31		Change
	2012	2013	
<b>Total Sales</b>	\$191.8	\$201.2	4.9%
Retail	\$130.3	\$138.7	6.4%
Wholesale	\$61.5	\$62.6	1.9%

[\$ in millions]

## Performance & growth

JobsOhio worked closely with the Ohio Department of Commerce and Division of Liquor Control to ensure a seamless transfer of the liquor enterprise. Today, business continues as usual for agency brokers, distributors, and warehouse staff while sales of spirituous liquor continued steady growth during the first quarter of 2013.

# Job creation and capital investment continued to grow in Q1

JobsOhio focuses its economic development efforts on a diverse portfolio of targeted industries and business functions that drive the state's economy and have the greatest impact on job creation. Projects announced in the first quarter represent job creation and capital investment commitments to be completed in the next three years.

## Q1 2013 RESULTS

<b>Total # of Projects</b>	66
<b>New Jobs</b> (committed)	4,043
<b>New Jobs Payroll</b> (committed)	\$175 million
<b>Retained Jobs</b> (committed)	13,332
<b>Retained Jobs Payroll</b> (committed)	\$823 million
<b>Total Jobs</b> (including retained)	17,375
<b>Total Jobs Payroll</b> (including retained)	\$998 million
<b>Capital Investment by Companies</b> (committed)	\$1.1 billion
<b>ROI Year 3 Total</b>	\$28 million
<b>ROI Positive Year 1</b> (59 out of 66)	89%

Quarter (calendar year)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013
<b>Total # of Projects</b>	73	81	87	46	66
<b>New Jobs</b> (committed)	4,936	4,687	6,334	3,921	4,043
<b>Total Jobs</b> (including retained)	21,873	18,449	22,768	11,414	17,375
<b>Total Jobs Payroll</b> (including retained)	\$993 M	\$726 M	\$1.1 B	\$553 M	\$998 M
<b>Capital Investment</b> (committed)	\$3.1 B	\$1.1 B	\$1.0 B	\$563 M	\$1.1 B

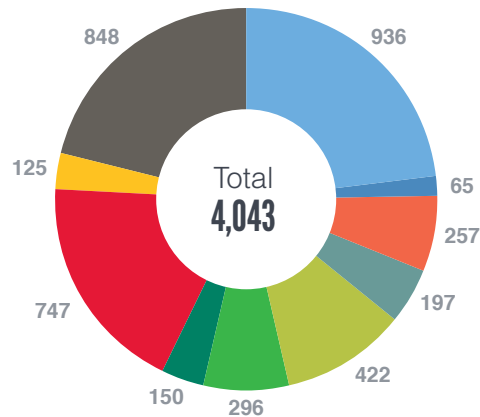
Data may have been revised due to project modifications

## Q1 company commitments span Ohio's diverse industries

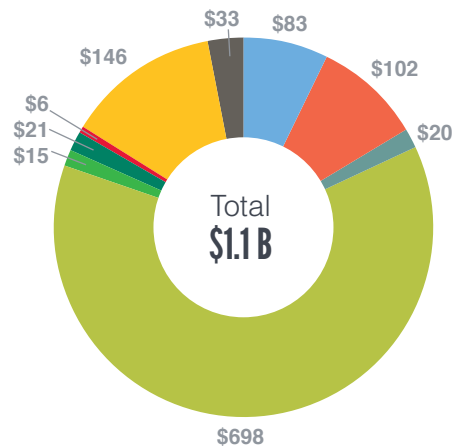
### KEY

- Advanced Manufacturing
- Aerospace and Aviation
- Automotive
- Biohealth
- Energy
- Financial Services
- Food Processing
- Information Technology and Services
- Polymers and Chemicals
- Other

### Q1 NEW JOBS BY INDUSTRY



### Q1 CAPITAL INVESTMENT (IN MILLIONS)

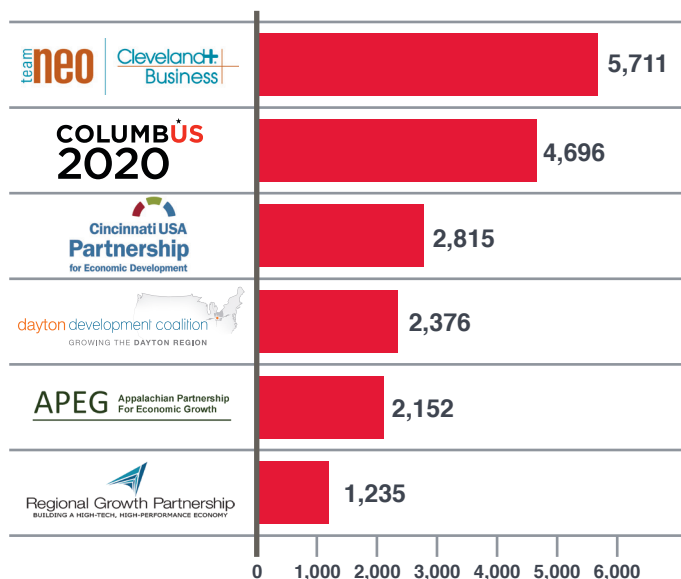


## JobsOhio Network Partners

The charts below represent company commitments for new job creation and capital investment within each region.

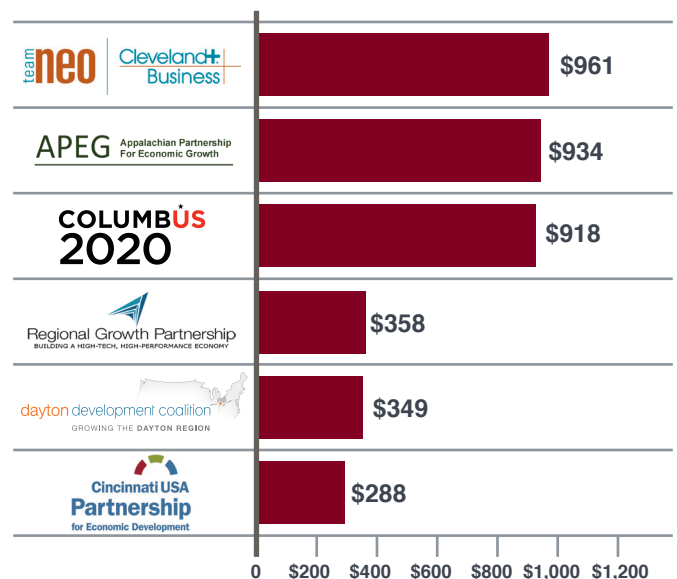
### NEW JOB COMMITMENTS

Trailing Four Quarters (Q2 2012 - Q1 2013)



### COMPANY CAPITAL INVESTMENT COMMITMENTS (\$ MILLIONS)

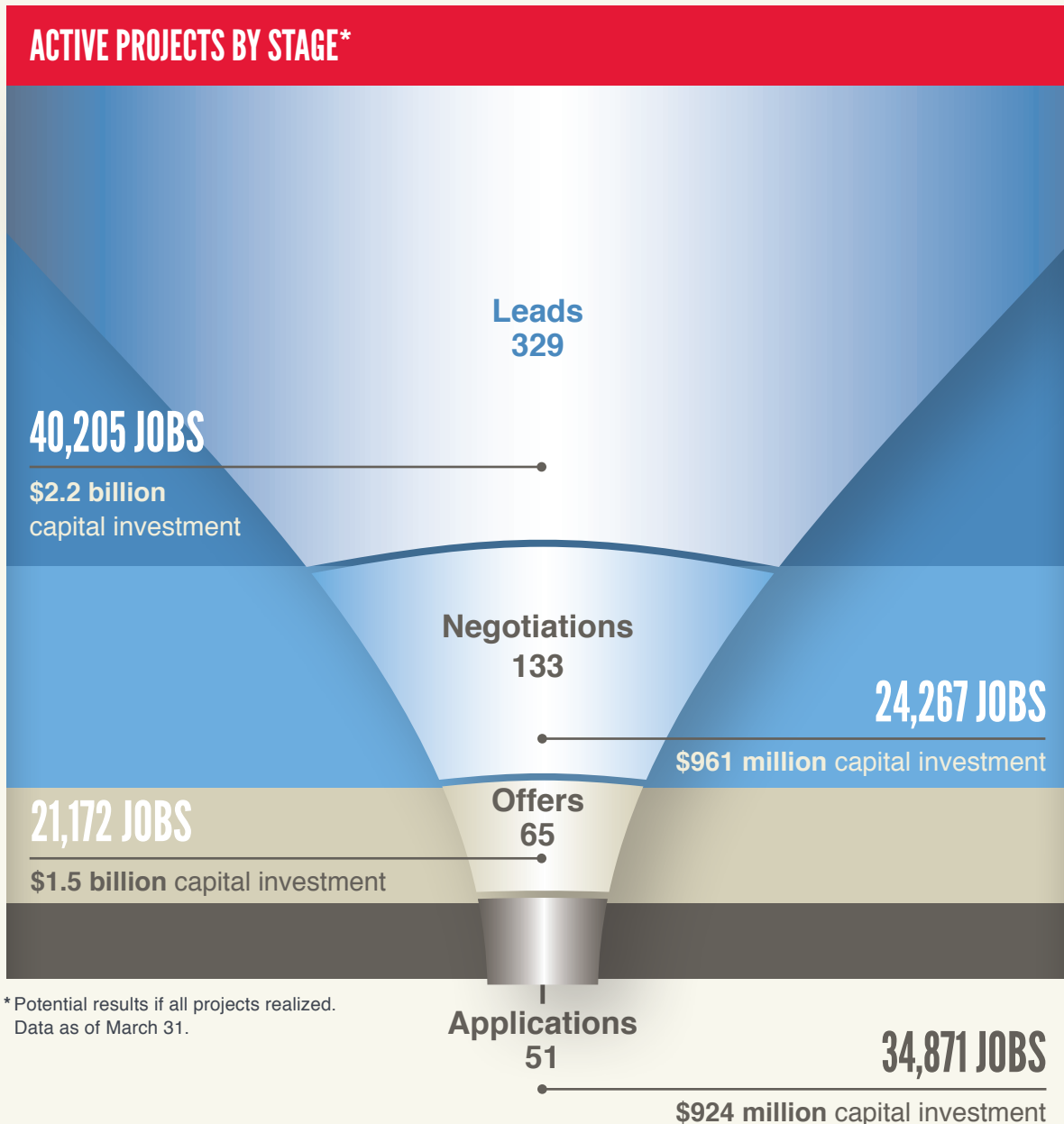
Trailing Four Quarters (Q2 2012 - Q1 2013)





## Project pipeline

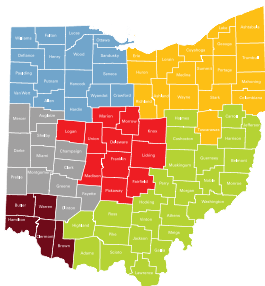
The pipeline represents the potential deals that JobsOhio and its state and regional partners are working on to create job growth and capital investment in Ohio. This tool allows us to analyze data, view trends, and develop strategies.



- Lead** JobsOhio engages with companies on projects that were previously prospects
- Negotiation** JobsOhio begins structuring a proposal for the project
- Offer** Company receives commitment letter outlining the project details
- Application** Company begins the formal process to finalize the project

## **Building relationships and selling Ohio**

Maintaining and developing relationships with companies both inside and outside of the state is integral to JobsOhio's success to drive economic development in Ohio. Telling the Ohio story is part of that strategy. The following are selected highlights from the JobsOhio team during the first quarter of 2013.



### **REGIONAL JOBSONIO MEETINGS**

JobsOhio and the JobsOhio Network held regional presentations during the month of March to share the organizations' 2012 annual report and 2013 strategies. The presentation included an overview of the new economic development funding stream that JobsOhio will use to help businesses grow and create jobs. The events attracted more than 600 economic development professionals, state and local elected officials, business leaders, and media.

#### **DALLAS AND HOUSTON, TX**

Sharing opportunities in Ohio's Utica shale play had JobsOhio traveling to Texas in March. The visit included meeting with midstream companies to discuss natural gas gathering, processing, and infrastructure build out. JobsOhio also shared downstream opportunities in the Utica shale with chemical companies specific to attracting petrochemical facilities and how they can benefit from proximity to feedstock. Discussions included attraction efforts directly related to JobsOhio's ongoing Ohio River Development strategy.

#### **ATLANTA, GA**

Over the course of two days, JobsOhio and JobsOhio Network staff met with 15 site selection consultants that represented a wide variety of industries and functions, including headquarters, advanced manufacturing, logistics, automotive, food processing, and energy. The impetus for the visit was to introduce the consultants to JobsOhio and tell the Ohio Story. The event was a success as evidenced by the feedback from the consultants.

#### **CHARLESTON, SC**

JobsOhio was represented for the third consecutive time at the bi-annual Industrial Asset Management Council in Charleston. In addition to the conference sessions, JobsOhio, the JobsOhio Network, and energy partners from across the state hosted a meeting for 22 site location consultants. This important constituent group assisted with 25 percent of the total projects JobsOhio and its network partners won for Ohio in 2012. The goal is to grow this percentage in 2013 and beyond.



### **DETROIT AUTO SHOW**

JobsOhio joined Governor John Kasich in Detroit for the North American International Auto Show in January. The team met with executives from Chrysler, Ford, GM, and Honda; all with automotive assembly facilities in Ohio. The discussions focused around Ohio's positive business environment, strategy on improving workforce development and training, and a commitment to continue to work with these important companies on future projects. The Auto Show is an ideal forum to meet with high-level company executives, to strategize, and to view new products manufactured in Ohio.



### **DAVOS, SWITZERLAND**

Governor Kasich was honored to attend and participate in the World Economic Forum in January, which brought together the world's most influential political and business leaders to discuss the pertinent issues facing the global economy. JobsOhio, on behalf of the Governor, coordinated meetings with nearly 20 corporate-level executives to pitch Ohio as an investment location. As a result of this visit, JobsOhio is working with five international companies on projects that are directly related to the trip to Davos.



## CELLCO PARTNERSHIP

*Worldwide provider of cellular equipment and services.*

### Company commitments to Ohio:

- 500 new jobs
- \$4.5 million capital investment

**Cellco Partnership (Verizon)** was going through a consolidation plan of its nationwide facilities. The company was considering real estate options in central Ohio, Connecticut, Maryland, Pennsylvania, and Oklahoma. The company worked closely with Columbus2020 and JobsOhio, which put together an aggressive incentive package. Cellco Partnership elected to move forward with the project in Hilliard, Ohio. This decision supports the retention of 1,900 information technology, office, and service jobs in Ohio and commits to adding 500 new jobs to the state. The project is another testament to central Ohio's strength in the IT industry and back-office function, which are integral to the region's and state's economy.



*Provider of web-based software solutions and services for the automotive retail industry.*

### Company commitments to Ohio:

- 213 new jobs
- \$2.4 million capital investment

Tax climate concerns in California led **DealerTrack** to close its office there and relocate the document processing services it provides to financial institutions. The Ohio and Clinton County team worked with DealerTrack to find a new location as well as determine and meet its need for recruitment and workforce training assistance. The team also worked with the Ohio Bureau of Motor Vehicles to help resolve a concern related to the company's system interface. DealerTrack selected Ohio over two other highly competitive states, resulting in a commitment to create 213 jobs and make \$2.4 million in capital investment.



*Global producer of engineered polymers used in a wide range of consumer and commercial products.*

### Company commitments to Ohio:

- 428 retained jobs
- \$80 million capital investment

**Kraton Performance Polymers** faced a major capital investment decision due to changes in U.S. EPA regulations on coal-fired boilers at their flagship plant in Belpre, Ohio. The company was considering converting coal-fired boilers to natural gas plus adding a small cogeneration unit. Kraton also wanted to install a new R&D production line. The Southeastern Ohio Port Authority, JobsOhio, and its network partner the Appalachian Partnership for Economic Growth assisted the company with resolving utility infrastructure issues, recommending an energy loan program for the cogeneration unit, and connecting Kraton with the engineering college at Ohio University as a recruitment source. Kraton has committed to an investment of \$80 million dollars at the Belpre plant, which is strategic to Washington County because it provides 428 jobs at wage rates much higher than average for the region.

# SELECTED Q1 PROJECTS

Significant job and capital investment commitments were made in every region and across multiple industries in Ohio during Q1.

Company	Region	Jobs Created	Capital Investment	Industry or Business Function	Expansion/ New Location
Cellco Partnership (Verizon)	Central	500	\$4.5 million	Information Technology & Services	Consolidation
Echo Environmental	Southeast	350	–	Advanced Manufacturing	New Location
SpeedFC	Central	250	\$3 million	Logistics	Expansion
Six C Fabrication	Northeast	250	\$2.1 million	Energy	New Location
DealerTrack	Western	213	\$2.4 million	Financial Services	Expansion
The Kroger Co.	Southwest	205	\$11 million	Headquarters	Expansion
Westerman	Northeast	120	\$4.4 million	Advanced Manufacturing	Expansion
Epipheo	Southwest	100	–	Headquarters	Expansion
Diagnostic Hybrids, A Quidel Co.	Southeast	97	\$5 million	Biohealth	Expansion
LuK USA*	Northeast	95	\$48.5 million	Automotive	Expansion
Shearer's Foods	Northeast	90	\$15.5 million	Food Processing & Agribusiness	Expansion
Ferguson Enterprises	Western	70	\$13 million	Logistics	New Location
Kalida Manufacturing	Northwest	67	\$22 million	Automotive	Expansion
Emerson Network Power	Central	51	\$10 million	Advanced Manufacturing	Expansion
Emery Oleochemicals*	Southwest	35	\$50 million	Polymers and Chemicals	Expansion
Kraton Polymers U.S.	Southeast	–	\$80 million	Polymers and Chemicals	Expansion
MarkWest Energy Partners	Southeast	–	\$500 million	Energy	New Location

\*International Investment

## Summary of Q1 results

- 4,043 new jobs committed to be created with \$175 million in annual payroll
- 13,332 retained jobs representing \$823 million in payroll
- 17,375 jobs combined with \$998 million in payroll
- \$1.1 billion in new capital investment by companies



Visit our website at **Jobs-Ohio.com** to learn more.

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Data subject to adjustments based on final commitments.

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